DOCUMENT RESUME

ED 358 878 JC 930 309

TITLE	The Workforce Training Imperative: Meeting the Training Needs of the Nation. A Policy Paper on the Role of Community Colleges in Providing Workforce Training. Working Draft.
INSTITUTION	American Association of Community Colleges, Washington, DC.
PUB DATE	Jul 93
NOTE	12p.; Paper presented at "Leadership 2000," the Annual International Conference of the League for Innovation in the Community College and the Community College Leadership Program (5th, Washington, DC, July 18-21, 1993).
PUB TYPE	Viewpoints (Opinion/Position Papers, Essays, etc.) (120) -- Speeches/Conference Papers (150)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	*College Role; Community Colleges; Economic Development; Educational Finance; *Educational Policy; *Government Role; Institutional Mission; *Job Training; *Labor Force Development; Postsecondary Education; Role of Education; School Business Relationship; Training Objectives; Two Year Colleges; Vocational Education
IDENTIFIERS	Economic Trends

ABSTRACT

Drawing from national studies calling for expanded and improved workforce training to keep the nation competitive in the global economy, this report reviews research on workforce training and argues for a concerted national effort to define and support a coordinated program of workforce training. First, the paper defines workforce training as those activities designed to improve the competence and skills of current or new employees and reviews the basic arguments for expanded workforce training. Next, the principal economic and educational imperatives of improved workforce training are reviewed and the role of formal and informal education systems in workforce training is discussed. The paper then describes the need to redesign the system of training and examines the central role of community colleges in this process, highlighting the existing infrastructure for delivering high-quality training at a reasonable cost. Finally, the paper discusses public-private partnerships and provides specific recommendations for community colleges, business and industry, and government in implementing a national workforce training system. Recommendations include the following: (1) community college leaders should develop organizational structures that bring workforce training from the margin into the mainstream of their institutions; (2) business and industry leaders should explicitly acknowledge that workforce training is an unavoidable cost of doing business and being competitive; and (3) the federal government should identify the expansion and improvement of workforce training as the core of a national economic strategy. (PAA)

ED358878

The Workforce Training Imperative: Meeting the Training Needs of the Nation

A Policy Paper on the Role of Community Colleges in Providing Workforce Training

WORKING DRAFT

Presented to leaders of community colleges,
business, industry, labor, and government
by the
American Association of Community Colleges

Presented for review and comment at "Leadership 2000"
Washington, D. C.
July 18-21, 1993

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PREFACE

Community colleges are one of the principal providers of workforce training in the United States. The colleges are a critically needed resource for employees of business, industry, and government if the nation is to remain competitive in the global economic race.

The challenge of remaining competitive requires a partnership of private and public concerns that has not yet been forged. The most effective role for government to play is to provide incentives for private investment in workforce training and assistance to public providers of such training, specifically to community colleges that stand ready to deliver high-quality training at reasonable costs. They are an intact resource and in-place infrastructure ready to respond to the national priority to prepare a world-class work force.

This paper was developed as a joint effort of many to address these concerns. The rationale for the need for expanded and improved workforce training was based upon studies conducted by the National Center for Education and the Economy, the American Society for Training and Development, the League for Innovation in the Community College, and the American Association of Community Colleges in collaboration with the Southport Institute for Policy Analysis. A preliminary draft became the focus of discussion at seven regional forums at which hundreds of representatives of community colleges; business, industry, and labor; and state and local government reacted to the propositions presented here. The draft was revised based upon input from these regional forums.

The working draft which follows is being presented for review and comment to the leadership of community colleges and to representatives of the Clinton administration here at the annual "Leadership 2000" conference. On Wednesday morning, July 21, 1993, this paper will be the principal focus of a "Washington Summit Meeting" on the role of community colleges in providing workforce training. Leaders of community colleges, business, industry, labor, and government are all cordially invited to attend and comment at this public hearing.

At its summer meeting, the Board of Directors of the American Association of Community Colleges will review the comments and interests of all concerned parties. The Board will adopt a policy statement on the role of community colleges in providing workforce training at its fall meeting. AACC then will actively seek implementation of the policy statement.

Although the efforts of many need to be acknowledged, special thanks are extended to the Student Loan Marketing Assocation for financial support of a number of activities related to this project, and the League for Innovation in the Community College for assisting in the development of this working draft, for organizing public forums to discuss it, and for providing an appropriate platform along with The University of Texas at Austin for presenting the paper during this annual summer leadership conference.

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It is generally acknowledged that the United States faces a serious challenge to its competitiveness in the global economy. A consensus has emerged that the key to ensuring the nation's economic position is to train a work force that can compete successfully with any in the world.

This paper argues the urgency of a concerted national effort to define and support a comprehensive and coordinated program for providing workforce training for employees of business, industry, labor, and government as the cornerstone of American competitiveness. Further, the paper examines current systems of providing workforce training and argues that community colleges represent an in-place infrastructure that can be more effectively utilized to expand and improve training for American workers where it is most needed.

Definition of Workforce Training

To avoid misunderstanding about the activities which are the subject of this paper, it is essential to define what is meant by "workforce training." The following definition is drawn from a report on such training from the State of Michigan (Jacobs, 1992).

For the purposes of this paper workforce training is defined as those activities designed to improve the competencies and skills of current or new employees of business, industry, labor, and government. Such training is typically provided on a contract basis with the employer who defines the objectives of the employee training, the schedule and duration of the training, the location at or the delivery mechanism by which the training is provided, and often, the competencies of the trainer. Workforce training is customer-driven, involves payment by the customer to the training entity, and is usually linked to some economic development strategy of the employer.

Such a definition is not intended to ignore the importance or scope of the workforce preparation that is typically provided by schools and colleges to individuals aspiring to enter or re-enter the job market. Rather, it is intended to narrow the focus of the paper and policy discussion to training for the already employed, a critical but often-overlooked area of concern.

The Basic Argument

The paper draws upon studies by the American Society for Training and Development (ASTD), the American Association of Community Colleges (AACC), and the League for Innovation in the Community College to advance the following argument:

1. Training is most needed for workers in front-line, technical, production, service, and support positions in small and medium-sized businesses—the acknowledged engines of economic growth in the United States.

2. Current worker training provided by employers is concentrated in large corporations and focused on executives, managers, and sales personnel.

3. Nearly all community colleges provide workforce training designed to meet the specific needs of business, industry, labor and government in their service areas. The majority of such training is currently provided in technical fields for small and medium-sized companies.

4. Community colleges have a long history of successful experience in providing effective occupational education and vocational and technical training at a reasonable cost. Expansion of community college missions to explicitly include providing training for those already in the work force (in addition to preparing new entrants in the work force) can be accomplished with minimum delay and only minor investment in new infrastructure.

5. Current workforce training programs in community colleges are limited primarily by inadequate resources, that is, inadequate college budgets to support this extension of traditional college missions, inadequate or nonexistent funding from public sources, and the inability of small and medium-sized businesses to pay for the training their employees need.

6. Given current resource constraints at all levels of government, innovative public-private partnerships are the most realistic and promising method of supporting critically needed workforce training.

7. Community colleges are well-positioned to provide effective workforce training where it is most needed. The basic infrastructure for delivering training is largely in place, and community colleges are located within reach of nearly all of the nation's employers.

8. Community colleges are both accustomed and inclined to work in partnership with business, industry, labor, and government to deliver high-quality training at reasonable cost. Public and private employers of all types and sizes regularly choose community colleges as a preferred source of workforce training. Small and medium-sized businesses, in particular, find community colleges accessible and completely capable of meeting their training needs.

The following paper elaborates upon this basic argument and concludes with proposals regarding the actions that need to be taken by community colleges; local, state, and federal governments; and business, industry, and labor to develop and implement a workable system of workforce training that is needed to restore, maintain, enhance, and ensure the competitiveness of the United States in the global economy.

Economic and Educational Imperatives

The emergence of a global economy and the decline of the United States' competitive position in that economy are no longer just the dire predictions of gloomy futurists. Rather, the painful consequences to individuals and corporations of ongoing global economic restructuring are displayed daily in the print and electronic media. Despite its wealth of natural resources, its extraordinary history of technological achievement, and its unquestioned position as lone remaining military and political superpower, the United States has been steadily losing ground in global economic competition.

Recently, as its diminished economic position has become recognized as a result of fundamental structural problems, rather than rationalized as a temporary downturn in the economy, attention has turned to examining the causes of this decline and to searching for solutions to assist the nation in remaining competitive and ensuring high standards of living for its citizens.

In addition to its fiscal deficit, the United States also has a serious learning deficit, and the nation is now reaping the dubious rewards of its neglect to invest not just in physical infrastructure, but more importantly, in human capital development. A gap has grown between the declining skills of the work force and the increasing skill levels demanded in the global marketplace. Because the nation has not invested in the development of its human resources, it has proven difficult to move from an industrial-age economy run on physical strength and energy to an information-age economy run on skills, knowledge, and flexibility. Systems of formal education are as outdated as the assembly line. Schools teach too few of the skills required in the workplace, and they do little to provide adequate skills for the sixty-one percent of their students who do not go on to college. The nation's educational systems continue to operate as if learning and work were separate functions.

The Need for Workforce Training

To remain economically competitive the United States needs to invest more and more strategically in workforce education and training to increase productivity, quality, and flexibility in response to changing conditions. Still, it would be inaccurate to assume that U. S. corporations have completely disregarded investment in training, that current training efforts have been completely ineffectual, or that the formal educational system has been totally ineffective in preparing individuals to meet the needs of business and industry. Some estimates of total public and private investment in formal and informal workforce training run as high as $210 billion annually, and some segments of the formal educational system have been notably effective.

Formal Education System. The formal education system does a good job of workforce preparation in some areas. School systems focus on the education of youth and the preparation of new entrants into the work force—with mixed results. Tech-prep programs, cooperative education and apprenticeship programs, and other programs that connect education and training to actual work are notable successes. U. S. colleges and universities have consistently produced the best scientists, engineers, and professionals in the world by any measure, and these institutions do a very effective job of preparing the top 20 percent of the population for productive work and satisfying lives.

Yet, economists and labor analysts generally agree that the preparation of the remaining 80 percent of the population with basic reading, writing, computational, information processing, teamwork, and learning skills remains the critical challenge. Some estimates indicate that up to 75 percent of the existing work force will require significant job retraining in the next decade and that 80 percent of new jobs created in those years will require at least two years of postsecondary education. Even more startling is the fact that 85 percent of the workforce of the year 2000 is already employed today. The formal education system is simply not designed to handle the greatest need: nearly continuous updating of job-related skills for working adults.

Informal Training System. Rather, as the formal education system has been unable to carry the whole burden of educating, training, and retraining people for work, an informal worker training system has sprung up to attempt to meet the need for skilled workers. In fact, this largely employer-supplied and supported training system is now estimated to serve more individuals than the entire formal system of higher education. A recent survey of employers by the American Society for Training and Development found that employers spent nearly $45 billion in formal training in 1991 alone—mostly to staff and operate corporate training divisions. Yet, employer-based training,

while not lacking in scope, lacks cohesiveness. A joint report of ASTD and the U. S. Department of Labor published in 1989 describes this training system as a "shadow education system delivered by no single institution, subject to no law or policy."

Uncoordinated, Ill-Focused Efforts. As a result, even a $45 billion annual investment has been insufficient to provide training and education where it is needed most to improve productivity, quality, and ultimately, economic competitiveness. Where the system breaks down is in the efficient and effective delivery of training and retraining for employees of small and medium-sized companies—which have become the principal engines of economic growth and job creation in the United States. Unfortunately, investment in training is concentrated in large companies. Small companies of under 500 employees account for almost 60 percent of all workers, but they are responsible for less than five percent of the total training outlay in the country.

Furthermore, too great a percentage of current training is focused on managers, executives, and sales staff (by ASTD estimates, as much as 70 percent). Much too little is provided for workers in essential front-line technical and production positions. In this context, even increasing investment in worker training from the current level of one percent of payroll to the three and four-percent levels of their principal competitors in Japan and Germany would be insufficient to meet the needs of U. S. firms.

The Need to Redesign the System

Another key development is the trend among companies that had previously conducted their own worker training programs to turn increasingly to external providers for training. ASTD estimates that just a decade ago, companies did 90 percent of their own training, but its 1991 survey reported that nearly 50 percent of all training of existing employees was provided by external contractors. Among these providers are instructional technology firms, vendors of technology and communications products, independent consultants, professional associations, specialized technical schools, community colleges, and universities. In addition, there are a variety of federal training programs for the unemployed, displaced workers, and economically disadvantaged, such as JTPA, WIN, and GAIN.

This complex system needs to be redesigned. However, the inability of the formal education system to provide adequate training and the unraveling of the informal system of employer-supplied training has produced a crisis that contains both danger and opportunity. It is in the fundamental national interest to define the delivery systems, funding mechanisms, mix of suppliers, and other arrangements that are best suited to meet the workforce training needs of the nation's economy. The priority placed upon investment in worker training by the current administration is encouraging, and the timing is right for experimenting with new models to train a world-class work force.

A number of credible proposals have been advanced in recent years, including one by the National Center for Education and the Economy based upon defining universal workforce competencies equivalent to two years of postsecondary education for the vast majority of all workers in the nation. Unfortunately, the landmark report of the center, *America's Choice: High Skills or Low Wages*, and subsequent position papers based upon it inexplicably fail to mention the nearly 1,200 community colleges that already provide much of the workforce training that is currently being done to ensure worker skills.

The United States faces an immediate threat not only to its standard of living but also to its national security and economic sovereignty. The nation must respond to the urgent economic imperative to provide workforce training that prepares large numbers of its citizens with the skills necessary to compete in the global economy. An emerging national priority is to craft a world-class system for worker training and education—one which, like its formal system of higher education,

will be without peer in the world. Such a system must include a central role for the comprehensive community college, one of the most democratic of American institutions, and the nation's only major contribution to models of postsecondary education in the world.

The Role for Community Colleges

Community colleges have emerged as one of the major, logical providers of the workforce training required to revitalize and maintain the competitiveness of the nation's business and industry. Nearly all community colleges—large and small, urban and rural—have accepted training and retraining of employees of local business, industry, labor, and government as a logical extension of their career preparation, continuing education, and community service missions.

Community colleges are logical providers of key infrastructure training for a number of reasons:

1. A core mission of virtually all community colleges is career preparation, and these institutions have a long history of providing occupational and technical training in fields that reflect the needs of their local economies—often providing some of the most sophisticated training available anywhere in new and emerging technologies.

2. Lifelong learning for adult students is another fundamental commitment of community colleges, and they have extensive and successful experience in providing programs and services for those adult students who make up the bulk of the existing work force that requires additional training and retraining.

3. Community colleges have a close working relationship with local constituents, including local business, industry, labor, and government, many of whose representatives sit on college career program advisory boards, as well as on boards of trustees.

4. Community colleges already provide a variety of training programs and services to small and medium-sized businesses where the unmet need for worker training is the greatest.

5. Community colleges have invested in alternative delivery mechanisms, including infrastructure for providing distance education and instructional technology to support independent learning, which are likely to be necessary to serve adult learners who are often unable to attend regularly scheduled classes on a college campus due to work and family commitments.

6. Community colleges have also invested heavily in support services for students, especially in student assessment, counseling, educational planning and academic advising, tutoring and remedial education, childcare, career development, and job placement services that are vital to support nontraditional adult education.

7. There is a community college located within commuting distance of over 90 percent of the total population of the nation—as well as within every congressional district.

Providers in Areas of Greatest Need. A 1993 League for Innovation study found not only that nearly all community colleges currently provide training (96.0 percent of responding colleges) for employees of business, industry, labor, and government, but also that virtually all (98.4 percent of those with training programs) customized such training to meet specific workforce needs, rather

than relying only on existing college credit course offerings. Most judged their efforts to be generally effective, and most had the strong support of college administration and boards of trustees, with generally only minor reservations expressed by college faculty, for expansion of training activities. Significantly, the survey found that community colleges were most likely to be providing training for small and medium-sized companies and that the bulk of their training was in technical fields and other workplace skills. The fact is that community colleges already have experience in providing training and education for adults in the work force, and they are well-positioned to be a vehicle for a major expansion of worker training where it is most needed with support for some combination of public and private investment.

Resource Obstacles. Both the League and AACC surveys also identified the principal obstacles facing a major expansion of workforce training activities. While virtually all community colleges currently provide training, most operate only modest programs and cite inadequate resources to support more ambitious efforts. Not only did directors of college workforce training programs report that their budgets were inadequate to develop training curricula, to build training facilities, and to underwrite operating costs, but also they reported that many of their business and industry clients, especially the small and medium-sized businesses in their service areas, could not afford the cost of providing needed employee training.

Additional resources are required to expand current workforce training programs in community colleges if they are to meet a significant portion of the outstanding training needs of the nation's business and industry. Given the fact that resource constraints on public institutions are likely to become more severe, the most realistic prospect for expanded funding is from the private sector, or from public-private joint ventures which may be given a boost by the Clinton administration.

Public-Private Partnerships

To date, federal government programs related to job training have focused on unemployed and economically disadvantaged workers. States have routinely funded the education and training of new entrants into the work force, though they have provided only limited support for training of the currently employed, primarily through economic development initiatives. The private sector has spent billions to finance training, though these expenditures have been concentrated in large corporations. Economic and political conditions would appear to argue for fresh approaches to financing the training needed to revitalize the American economy.

Partnerships that would use modest investments of public funds to leverage much larger amounts of private capital to support workforce training appear to be a key to future expansion of the activity. Economic models of effective partnerships to support workforce training need to be developed, and these require the participation of all parties in the national training agenda, including not only community colleges and business and industry, but also federal, state, and local governments, financial institutions, and other sources of investment capital.

Implementing a National Workforce Training System

The preceding discussion provides a rationale for community colleges to serve as a major provider of workforce training, particularly for unserved small and medium-sized companies located in their respective services areas. In order for this to occur as part of a coordinated national effort, all interested parties need to work together to implement a plan for action.

What Community Colleges Must Do:

1. Community college leaders—trustees, CEOs, senior administrators, and faculty—should explicitly acknowledge that workforce training for employees of local business, industry, labor, and government is one of the core missions of their institutions, a logical extension of traditional career preparation, continuing education, and community service missions. They must acknowledge that providing training for individuals already in the work force extends, but does not supplant, preparing new and returning entrants for the work force.

2. Community college leaders should develop organizational structures that bring workforce training from the margin into the mainstream of their institutions, while retaining the flexibility to provide customer-driven training programs. Workforce training programs must coexist alongside more traditional credit programs and receive comparable institutional support, while at the same time remaining free of the constraints of traditional programs, including academic schedules and credit-hour time requirements, lengthy curriculum review processes, negotiated contracts and faculty load and compensation requirements, and academic credential requirements for trainers.

3. Community college leaders need to conduct ongoing staff development programs to educate their faculty about the needs and learning styles of adult workers, to learn about new delivery mechanisms and instructional methodologies for providing effective training for adults, and to update faculty skills continually so that they can be effective trainers for skills currently needed in the workplace.

4. Community college leaders need to work with local business leaders to inform them of the workforce training programs and services that their colleges can provide to increase worker productivity and overall company competitiveness and profitability.

5. Directors of community college workforce training programs need to work with supervisors and managers in business and industry and with their counterparts in community colleges nationwide to develop and share models for delivering effective workforce training, including alternative instructional delivery systems, model curricula in areas of high need, and flexible administrative and payment procedures.

6. Community college leaders need to work with federal, state, and local government officials; elected representatives; and leaders of the corporate and small business community to develop policies and funding mechanisms at the local, state, and federal levels that provide incentives to business for investment in worker training and that ensure adequate funding for community colleges that provide workforce training as part of an overall economic development strategy.

What Business and Industry Must Do:

1. Business and industry leaders should explicitly acknowledge that workforce training is an unavoidable cost of doing business and of competing successfully in a global economy, and they must help educate their colleagues in business, industry, and labor of the need to invest in worker training.

2. Business and industry leaders should work with local, state, and federal government officials to develop policies, programs, and incentives to encourage private investment in workforce training.

3. Business and industry leaders should work with providers of training, including community colleges, to develop and implement models for effective workforce training at a reasonable cost, and to validate these models by demonstrating that investment in training results in improved productivity and increased profitability.

4. Employers should provide incentives to their employees to engage in continual upgrading of workplace skills.

What Local, State, and Federal Governments Must Do:

1. The federal government should identify the expansion and improvement of workforce training and the upgrading of worker skills as the core of national economic strategy. The federal government must identify as a national priority the creation of a skilled and adaptable work force that can compete successfully with any in the world.

2. The federal government should take the leadership role in defining a coherent, customer-driven, results-oriented, workforce training system as part of a comprehensive national human investment policy that guides and supports state and local worker training and economic development efforts. Such a system should be built upon existing infrastructure at the state and local level, and it should explicitly identify community colleges as a major provider of workforce training both for those already employed and for new entrants into the work force, especially for current employees of small and medium-sized businesses.

3. The federal government should take the leadership role in developing broadly-agreed upon national standards for workforce competencies as a means of raising the skill levels of all American workers. These standards should guide the development and assessment of state-based and locally managed programs to improve workplace skills.

4. Federal, state, and local governments should develop policies and regulations that provide incentives to employers to invest in workforce training and to employees to engage in continual skills updating. State and local officials, in particular, must review existing legislation, policies, and regulations to ensure that they do not discourage workforce training, nor limit the workforce training mission of community colleges.

5. State and local governments should develop funding mechanisms to support workforce training in areas of greatest need and for populations at greatest risk, including public funds to support community college workplace training programs that serve the public interest as part of an overall economic development strategy.

6. Federal, state and local governments should develop incentives to support public-private partnerships and other innovative financing arrangements to ensure that adequate resources are available to support workforce training, including programs that leverage public funds to attract private investment in support of workforce training.

Joint Responsibilities:

1. Community college leaders, business and industry executives, and government officials need to work together to define a coherent system for providing needed workforce training. They need to acknowledge and value the roles that each has to play to ensure the expansion and improvement of workforce training in all types and sizes of organizations.

2. Educators, business executives, politicians, the media, and other community leaders need to work to create a national climate and culture that establishes the value of commitment to continuous quality improvement and to education and training as the foundation for both individual growth and economic success and national economic development.

The task of educating and training a world-class work force that can think for itself and outperform the rest of the world is formidable, but the stakes have never been higher nor the potential rewards greater. If the nation fails to develop a work force that can compete successfully in the global economy, it will be unable to provide the living standards to which its citizens have become accustomed; the gap between the rich and the poor will widen; and the nation's position as world leader will erode sharply. However, if the nation can respond effectively to the challenge to develop the most skilled and adaptable work force the world has ever seen, it will ensure the prosperity of its citizens into a second "American century."

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